

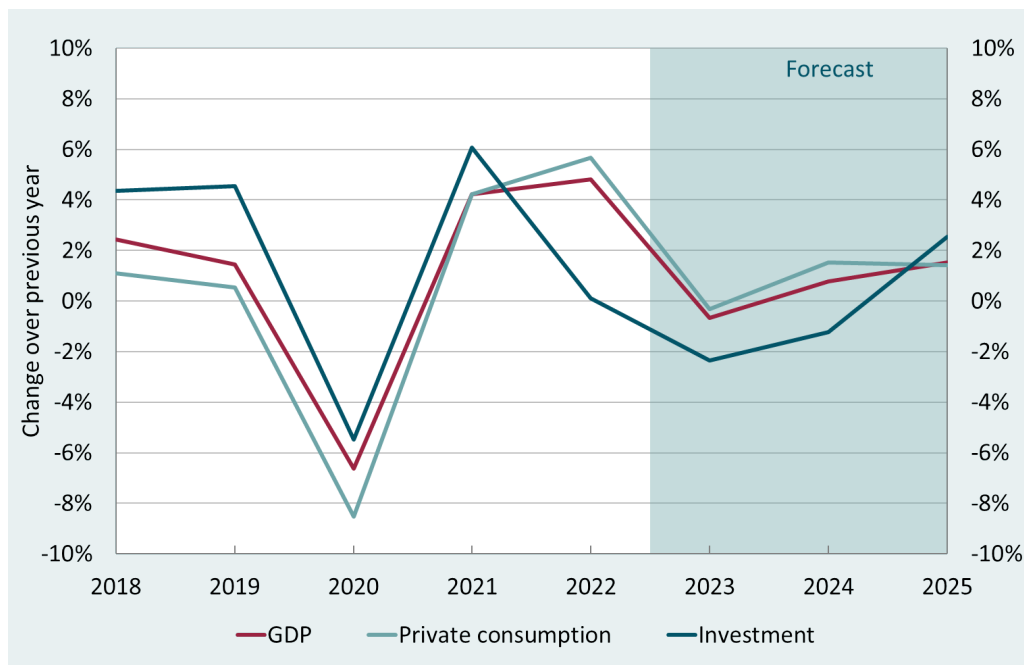
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Winter Forecast of the Austrian Economy 2023–2025

Rising real income supports modest economic recovery

In 2023, Austria’s real gross domestic product (GDP) fell by 0.7%. With stronger consumer demand due to rising real income and a brightening of the European economy, the Austrian economy should recover in the coming years. GDP is expected to grow by 0.8% in 2024 and 1.5% in 2025. Inflation, as measured by the rise of the national consumer price index, should likely slow down from 7.8% this year to 3.9% next year and to be 3.0% in 2025. The labor market situation should remain stable. Against declining discretionary crisis measures, the general government deficit will be high in the next two years at 2.3% and 2.2%, respectively. A higher persistence of inflation, a lack of recovery in the global economy, particularly in the industry sector, or a weaker labor market could jeopardize the economic upturn.

Figure 1: GDP, private consumption, investment



Source: Statistics Austria, from 2023 IHS forecast

Table 1: Main results*Change over previous year in percent*

	2023	2024	2025
Gross domestic product, real	-0.7	0.8	1.5
Private consumption, real	-0.3	1.5	1.4
Gross capital formation, real	-5.6	0.2	2.5
Gross fixed capital formation, real	-2.3	-1.2	2.5
of which: equipment, real	0.0	-1.0	3.0
of which: construction, real	-5.0	-1.5	2.0
Domestic demand, real	-1.8	0.9	1.5
Exports of goods and services, real	0.4	2.3	2.6
of which: goods, real	1.5	2.3	2.5
of which: tourism, real	12.5	1.6	2.0
Imports of goods and services, real	-1.5	2.5	2.5
of which: goods, real	-2.0	2.3	2.3
of which: tourism, real	2.0	2.7	2.0
Employment (employees)	1.2	0.3	0.4
Unemployment rate: national definition ⁱ	6.4	6.6	6.3
Unemployment rate: Eurostat definition ⁱ	5.1	5.3	5.0
Compensation per employee	7.8	7.5	4.0
GDP deflator	7.7	4.3	2.7
Consumer price index	7.8	3.9	3.0
Budget balance in % of GDP (Maastricht definition) ⁱ	-2.8	-2.3	-2.2
3-month Euribor ⁱ	3.4	3.7	2.8
10-year government bond yield ⁱ	3.1	3.0	3.0

ⁱabsolute values

Source: IHS forecast

Table 2: International environment
Change over previous year in percent

	2021	2022	2023	2024	2025
GDP, real					
Germany	3.2	1.8	-0.5	1.0	1.5
Italy	8.3	3.7	0.7	0.8	1.0
France	6.4	2.5	0.8	1.0	1.4
United Kingdom	8.7	4.3	0.5	0.7	1.2
Switzerland	5.4	2.7	0.8	1.6	1.4
USA	5.8	1.9	2.3	1.3	1.7
Japan	2.2	0.9	1.8	1.0	0.8
China	8.4	3.0	5.0	4.3	4.0
Poland	6.9	5.3	0.3	2.8	3.3
Slovakia	4.8	1.8	1.0	1.8	2.3
Czech Republic	3.6	2.4	-0.4	1.3	2.8
Hungary	7.1	4.6	-0.8	2.5	3.0
Slovenia	8.2	2.5	1.6	2.3	2.5
MOEL-5 ⁱ	6.2	4.2	0.1	2.4	3.0
Bulgaria	7.7	3.9	1.8	2.5	3.0
Romania	5.7	4.6	2.0	3.3	3.5
Croatia	13.8	6.3	2.6	2.5	2.5
Russia	5.6	-2.1	3.0	1.0	1.5
Euro area	5.9	3.4	0.5	1.3	1.5
NMS-5 ⁱⁱ	6.2	4.5	0.4	2.6	3.2
EU-27	6.0	3.4	0.4	1.4	1.7
OECD	5.7	2.9	1.5	1.5	1.9
World	6.1	3.3	2.8	2.7	3.0
World trade (goods, CPB)	10.4	3.2	-2.0	1.7	2.7
Austrian export markets	10.3	7.0	-0.3	2.5	3.5
USD/EUR exchange rate ⁱⁱⁱ	1.18	1.05	1.08	1.08	1.08
Oil price (Brent, USD/barrel) ⁱⁱⁱ	70.7	100.8	82.0	79.0	76.0

ⁱMOEL-5: Poland, Slovakia, Czech Republic, Hungary, Slovenia

ⁱⁱNMS-5: Poland, Czech Republic, Hungary, Bulgaria, Romania

ⁱⁱⁱabsolute values

Source: Eurostat, IMF, OECD, CPB, national statistical offices, Refinitiv Datastream, from 2023 IHS forecast

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